



November 14, 2019

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

RE: Petition of South Carolina Electric & Gas Company for Authorization to  
Defer and Amortize Certain Costs Incurred as a Result of Complying  
with Certain Regulations Promulgated by the United States  
Department of Transportation Pipeline and Hazardous Materials Safety  
Administration;  
Docket No. 2014-461-G

Dear Ms. Boyd:

By Order No. 2014-1034, dated December 17, 2014, issued in the above-referenced docket, the Public Service Commission of South Carolina ("Commission") authorized Dominion Energy South Carolina, Inc. ("DESC" or "Company") to defer and amortize certain costs incurred as a result of complying with certain regulations promulgated by the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration, and to accrue carrying costs on the balance of the regulatory asset account. As part of its order the Commission required that "the Company submit quarterly reports to ORS and this Commission detailing the fiscal expenditures, inspections, and repairs relating to [DESC]'s Safety and Integrity Enhancements within forty-five (45) days of the end of each quarter." The purpose of this letter is to provide the Commission and ORS the quarterly update for the quarter ending September 30, 2019.

As of September 30, 2019, the balance in the regulatory asset account totaled \$8,987,748.06 including carrying costs and net of amortization. A detailed breakdown of the expenditures related to safety and integrity enhancements follows:

(Continued . . . )

### **AC Mitigation**

DESC has initiated a program to more proactively and aggressively inspect select transmission and distribution pipelines in electric transmission rights-of-way for stray alternating currents. Expenditures for this enhancement as of September 30, 2019, total \$82,530.00.

### **Atmospheric Corrosion at LNG Plants**

To prevent atmospheric corrosion, DESC applies an engineered coating system to the LNG tanks and facilities at the plants on a periodic basis. Expenditures for this enhancement as of September 30, 2019, total \$1,534,343.82.

### **Bell Hole Inspection/GIS Field Verification**

DESC has enhanced existing field GIS verification processes through creation of a technology-based tool to electronically capture asset attributes as found in the field for subsequent validation and verification. Expenditures for this enhancement as of September 30, 2019, total \$22,915.87.

### **Buried Pipe Coating Remediation**

DESC has initiated a project to assess and remediate pipeline coatings on older buried steel pipelines. Expenditures for this enhancement as of September 30, 2019, total \$107,100.93.

### **Casing Inspection Program**

DESC has initiated a program to enhance its casing inspection procedures to ensure reliability going forward. Expenditures for this enhancement as of September 30, 2019, total \$39,018.44.

### **Casing Removal Program**

Due to the difficulty and expense associated with performing the required assessments on cased pipe, DESC has implemented a program to remove casings on certain transmission pipelines. Expenditures for this enhancement as of September 30, 2019, total \$260,938.68.

### **Danger Tree Removal**

DESC has enhanced its follow-up and remediation plan to ensure that danger trees and limbs which threaten our facilities, particularly those trees and limbs located outside of the Company's easements, are responded to in a timely manner. Expenditures for this enhancement as of September 30, 2019, total \$22,919.42.

### **Distribution Integrity Management**

To enhance and continuously improve the performance of its distribution integrity management program, DESC may implement new technologies and new risk management strategies and engage third party expertise for audits, reviews, and consultation. Expenditures for this enhancement as of September 30, 2019, total \$76,222.83.

### **Enhanced Aerial Patrol**

DESC has enhanced its aerial patrol processes by incorporating additional inspections during the warmer construction season in an effort to mitigate the risks of third party damage to its transmission pipelines. Expenditures for this enhancement as of September 30, 2019, total \$78,926.08.

### **Enhanced Leak Survey**

DESC has enhanced its leak survey frequency for high pressure distribution lines from a five-year interval to an annual survey. Expenditures for this enhancement as of September 30, 2019, total \$201,489.81.

### **Expansion of Integrity Management Inspections**

DESC has expanded its transmission integrity management inspections to also include areas outside of High Consequence Areas. Expenditures for these inspections as of September 30, 2019, total \$5,261,743.66.

### **GIS Mapping Improvements**

DESC has initiated a project to systematically improve the Company's GIS mapping records for facilities for which the source data for locations of mains and services are legacy manually drawn maps. Expenditures for these enhancements as of September 30, 2019, total \$568.57.

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### **GIS Services Layer**

DESC has initiated a project to enhance the Company's DIMP program by incorporating service cards data into the GIS to improve information available to field technicians who perform daily maintenance activities and to enable DESC's distribution risk models to access leak data. Expenditures for these enhancements as of September 30, 2019, total \$892,640.15.

### **GIS Regulator Station Records**

DESC has initiated a project to improve the Company's data management and integration by consolidating certain station data in a single repository, hydraulically connecting stations to GIS to aid system planning and emergency response, and providing a mobile ready data platform to facilitate data maintenance. Expenditures for these enhancements as of September 30, 2019, total \$129,013.73.

### **Inline Inspections**

DESC implemented an in-line inspection program for DESC's gas transmission pipelines. Expenditures for this program as of September 30, 2019, total \$2,999,971.47.

### **MAOP Verifications**

DESC performed excavations, inspections, tests, and sampling procedures to ensure reliable and sufficient pipeline records. Expenditures for these tasks as of September 30, 2019, total \$278,099.36.

### **Physical Meter/Station Barriers**

DESC has enhanced identification and protection of its above-ground facilities that may be subject to the threat of vehicle damage. Expenditures for this enhancement as of September 30, 2019, total \$13,190.14.

### **Pipeline Attachments and Crossings**

DESC has enhanced inspections of difficult to access bridge attachments and other crossings such as marine or exposed crossings. Expenditures for this enhancement as of September 30, 2019, total \$232,264.82.

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### **Pipeline Safety Management**

DESC is implementing a program to improve its overall pipeline safety management systems, the first phase of which focuses on procedure review and enhancement to ensure that all procedures are synchronized and reflect better/best practices from industry. Expenditures for this enhancement as of September 30, 2019, total \$285,202.92.

### **Pipeline Survey & Markers**

DESC has enhanced its damage prevention efforts by ensuring sufficient pipeline and rights-of-way markers throughout pipeline corridors. Expenditures for this enhancement as of September 30, 2019, total \$99,440.78.

### **Public Awareness Enhancements**

DESC has incorporated processes to improve the accuracy of its mail and contact lists for safety-related communications and has improved its documentation, metrics, and record-keeping processes via a GIS-based solution management. Expenditures for this enhancement as of September 30, 2019, total \$658,439.10.

### **Sewer Cross Bore Inspections**

DESC is conducting a sewer cross bore inspection to improve its understanding of the level of risk and to determine how best to identify and mitigate those risks. This pilot project may lead to additional inspections and/or a more comprehensive inspection program. Expenditures for this enhancement as of September 30, 2019, total \$25,497.00.

### **Shallow Pipe Remediation**

DESC has enhanced its natural forces and damage prevention efforts by more aggressively targeting shallow and exposed pipelines for remediation. Expenditures for this enhancement as of September 30, 2019, total \$589,207.36.

### **Side Trimming Program**

DESC has implemented a formal side-trim program for its transmission pipelines to improve effectiveness of the aerial patrol inspections and thereby improve monitoring of third-party damage threats. Expenditures for this enhancement as of September 30, 2019, total \$1,046,472.78.

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### **Station Grounding Program**

DESC has enhanced its station grounding procedures and installations to better protect pipeline facilities and ensure employee safety. Expenditures for this enhancement as of September 30, 2019, total \$84,969.68.

### **Station Painting**

DESC has enhanced its atmospheric corrosion prevention program by establishing a life-cycle station painting program for customer and system stations. Expenditures for this enhancement as of September 30, 2019, total \$1,268,625.16.

### **Station Risers Inspection**

DESC is implementing a riser inspection program to ensure integrity of station riser piping, which is more prone to corrosion. Expenditures for this enhancement as of September 30, 2019, total \$200,374.14.

### **Unconventional Locating Systems**

DESC has enhanced its damage prevention processes to include unconventional locating methods and equipment to better ensure that difficult to locate pipeline facilities are marked in the field with an instrumented locating device. Expenditures for this enhancement as of September 30, 2019, total \$135,713.49.

### **Carrying Costs**

Carrying costs as of September 30, 2019, total \$920,445.36.

### **Amortization**

Amortized costs as of September 30, 2019, total (\$8,560,537.49).

By copy of this letter, DESC is providing the South Carolina Office of Regulatory Staff with this quarterly report.

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If you have any questions or need additional information, please do not hesitate to contact us.

Very truly yours,



Matthew W. Gissendanner

MWG/kms

cc: Dawn Hipp  
Jeffrey M. Nelson, Esquire  
(both via electronic and U.S. First Class Mail)